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ABSTRACT

The Carter Administration is adopting a Small Community and Rural Development Policy because: (1) rural America's human and natural resources are a mainstay of the nation's economy and way of life; (2) many rural areas are in the midst of significant economic and demographic change; (3) rural people and communities have greater unmet basic human needs; (4) clear policy direction and a framework for integrating current federal efforts is needed; and (5) improvement of the rural data base upon which programs can be developed is essential. The Administration, in partnership with Congress, state and local governments, and private sector leadership, is committed to work toward: meeting basic human needs of rural Americans; providing opportunities for rural people to be fully and productively employed; providing a favorable climate for business and economic development; addressing the rural problems of distance and size; and promoting the responsible use and stewardship of natural resources and environment, while preserving the quality of rural life. The policy, which describes present and proposed initiatives, addresses rural problems in the areas of housing, health, water and sewer, education, income maintenance, social services and legal aid, job creation, economic development, energy, transportation, communications, capacity building, and environment and natural resources. (NEC)

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THE CARTER ADMINISTRATION

SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

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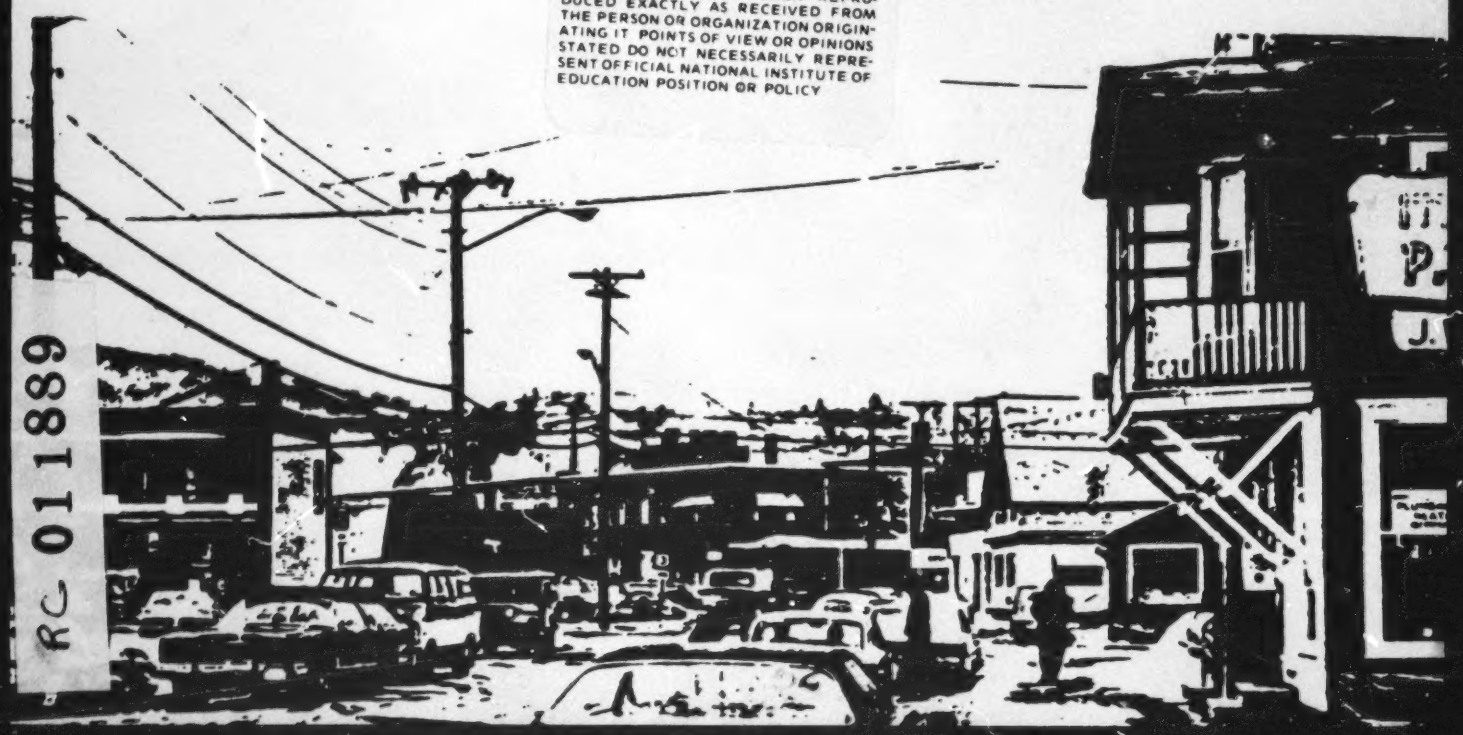

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It is with great personal satisfaction that I announce today my Small Community and Rural Development Policy. I believe it reflects a change in both the programs and the attitudes of the federal government as we seek solutions for the kinds of problems I have seen all my life, growing up and living in a rural area.

We have long needed to translate generalized concerns about rural problems into a set of specific goals, principles, programs, and mechanisms for effective implementation. Building on the many rural initiatives launched during the past two-and-a-half years, this policy provides a clear purpose and a clear program of action for addressing important small community and rural needs, and for managing the profound demographic and economic changes that are taking place in rural America.

Built into this policy is the recognition that rural Americans have extraordinary creativity, dedication, and perseverance. The role of the federal government should be to encourage and support the resources and resourcefulness of rural America and to be the partner of its local leaders.

Nowhere is the sense of partnership, neighborliness, and shared responsibility more evidenced than in the communities all across rural America. That is why I am optimistic about the future of this nation and the future of rural and small town America. In many ways, working together and combining our strengths and resources, we can build a better life for all Americans, urban and rural.

Jimmy Carter

THE WHITE HOUSE
December 20, 1979

THE CARTER ADMINISTRATION

SMALL COMMUNITY AND RURAL DEVELOPMENT POLICY

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PART ONE

POLICY STATEMENT

Our Rural Heritage

Rural and small town America is an integral part of the nation's economic and social fabric. Rural America provides our nation's food, fiber, and wood and accounts for most of our domestic mineral and energy supply. It plays an increasingly important role in the nation's manufacturing, trade, and service economy. Earnings from rural exports make a vital contribution to our nation's trade balance. Most important, our national character draws strength from the rural values of hard work, self-reliance, and a sense of community. Rural America is rich and diverse in history, culture, and natural beauty. It is "home" for generations of Americans and where increasing numbers of Americans prefer to recreate and make their future home.

This nation was mostly rural for its first 150 years. Americans were heavily dependent for their livelihood -- often for their very existence -- on what they could themselves produce from the land. At the turn of this century six of every ten Americans still lived in rural places. The changes since then have been dramatic.

The mechanization of agriculture, improvements in transportation and communication, the process of industrialization, and overall economic growth have greatly altered the economic and social organization of America. For our last fifty years we have been mainly a nation of city and suburban dwellers. During this time, most of the old cliches about rural and urban lost their meaning.

As we enter our third century, the living patterns and preferences of Americans are shifting again. These shifts between urban and rural are occurring in the context of an extraordinary diversity within rural America itself. This diversity is mirrored in the variety of our rural areas -- areas that take such divergent forms as a New England coastal fishing village, a Midwest farm community, a mining town in Appalachia, a ranching area in the Rocky Mountains, a settlement of tenant farmers in the Mississippi Delta, a pueblo in the Southwest, a Southern town in transition to becoming a metropolitan center, and a small Western town experiencing "boom growth" from energy development.

The Changing Face of Rural America

For decades the population of urban areas grew while large numbers of people left the farms and small towns. Since 1970 this migration trend has reversed. The annual growth rate of rural areas has averaged 1.3 percent since 1970, exceeding the rate of growth in urban areas by over 40 percent.

Rural employment, previously declining and historically tied to the land, is now growing and diversifying. Not only are new jobs being created at a faster rate in rural than in urban areas but the composition of rural work itself is changing. Although agriculture is still the dominant influence in many rural economies, overall, employment in manufacturing, trade, and professional services now exceeds direct agricultural employment. Agriculture itself has changed enormously. It has become a highly sophisticated, often specialized, component of a larger food and fiber system that includes suppliers on one end of the production chain and processors and marketers on the other.

This growth in rural population, the accompanying expansion in rural employment, and the increasing diversity of rural economies result from a number of factors -- a strong preference for rural and small town living, the movement of retirees to rural areas, longer-distance job commuting, reduced outmovement from farms, and expanded mining, manufacturing, and service activities in rural areas.

Although the dramatic turnaround in population trends and the growth in job opportunities are the predominant influences in rural America in the 1970's, it is important to note that not all rural areas or rural people have shared in this growth. Approximately 500 counties in parts of the Great Plains, the Corn Belt, and the Mississippi Delta continue to lose population as many have been doing for 20 or 30 years. Most of these counties are heavily agricultural and have experienced an exodus of workers from agriculture that has exceeded non-farm job creation.

Of course, even in areas benefiting from economic growth and diversification, the benefits are not always well distributed. Great numbers of rural and small town residents suffer from problems that afflict the poor wherever they live. Problems resulting from the isolation of being poor or old in rural America can have a particularly virulent effect on both body and spirit.

Special Rural Needs

Even though rural America is growing, too many rural residents have failed to benefit from that growth. Too many remain, in the words of President Lyndon Johnson's Rural Poverty Commission, "the people left behind." Notwithstanding the progress that has been made, a disproportionate share of the nation's poor still live in rural areas -- about 40 percent of the total. Virtually all of the nation's persistently poor counties are rural. The toll, whether measured in terms of economic efficiency or human dignity, is too high.

A disproportionately large number of the rural poor are Blacks, Hispanics, and Native Americans. Approximately 27 percent of rural Hispanic people and 38 percent of rural Blacks live on incomes below the poverty level (compared to 11 percent for rural Whites). About 40 percent of all Native Americans were living below the poverty level in 1970. Women in both the rural and the urban work force do not share equitably in the economic rewards of their labor. In 1977, the average annual income of women working full-time in rural areas was only 54 percent of the income of rural men. Also, households headed by females made up almost 35 percent of all non-metropolitan households living in poverty.

There are other indications that rural America is not fully sharing in the benefits of our nation's growth and development. Rural areas have 58 percent fewer physicians, 38 percent fewer dentists, and 29 percent fewer nurses, on a per capita basis. Yet, rural Americans suffer from a higher incidence of chronic disease and lose more days from work due to illness or incapacity than their urban counterparts.

Three times the proportion of rural housing units lack complete plumbing as urban units. Over 2 million rural Americans do not have running water in their homes; over 4 million have inadequate sewage disposal systems or none at all; and many rely on sources of drinking water that fail to meet safe drinking water standards.

Less than one percent of rural Americans who work away from home utilize public transportation to get to work -- a statistic that dramatically reveals how dependent rural Americans are on the family car. Yet over 57 percent of the rural poor, and 45 percent of the rural elderly do not own an automobile, contributing even further to their isolation and immobility, not only from jobs, but from vital social services as well.

These problems and others of comparable severity are further compounded by the limited capacity and resources of local governments to respond. Whether small community needs are those associated with growth or with decline, they pose special problems for local governments. About one quarter of all rural people live in or near towns of less than 2,500; three quarters live in or near towns of less than 20,000. Given their small population bases, most small rural governments are limited in the array of public services they can provide. Large-scale urban-oriented technologies are often not economically feasible when applied to small towns and rural areas. And while the range of public services offered by rural governments is more limited, the per unit cost of providing these services is usually higher.

Many small towns, remote from Washington and from their state capitols, lack the "grantmanship" that is so often required to compete successfully for limited Federal and state assistance. This difficulty is compounded by the fact that many federal programs have been formulated with big cities in mind. As a result, such programs frequently contain eligibility and other criteria that hinder access by small communities. Even when assistance is available, the lack of fiscal resources makes it difficult for many small communities to match federal grants and to repay loans.

Even those small communities now experiencing economic growth are finding that along with the blessings, growth brings a new set of problems. Many communities are unprepared for the economic and social adjustments that become necessary. Changing demographic and economic patterns may not only exacerbate chronic and deep-seated problems but they often create new ones.

Some of the problems are already apparent. As a result of rapidly escalating property values and taxes, too many rural families on low and fixed incomes are in danger of losing their land and homes. As a result of the growth in residential, commercial and industrial land use, prime agricultural land is being lost and fragile ecosystems are being impaired. The influx of new residents -- especially when it escalates to "boom growth" -- makes it difficult for local governments to provide essential public services in a timely way.

Why A Rural Policy

My Administration is adopting a Small Community and Rural Development Policy because:

- Rural America's human and natural resources are a mainstay of the nation's economy and contribute very significantly to the American way of life. A conscious and sustained effort is needed to ensure the wise use and continued productivity of these resources.

- Many rural areas are in the midst of significant economic and demographic change -- change that is creating new demands, new problems, as well as new opportunities. A forward-looking policy is needed to manage the effects of such change -- to enable individuals and communities to solve their problems and to capitalize on their opportunities.

- Rural people and communities have proportionately greater unmet basic human needs than do other parts of the nation. We must seek to assure that, to the maximum extent our resources allow, we address these needs and redress inequities.

- The entire nation, including our cities and suburbs, is served best when good jobs, livable incomes, decent housing, a healthy environment, dependable energy supplies, and other basic needs are met in small communities and rural areas and when neither urban nor rural residents have to move in search of a better life.

- Confused and often contradictory policy goals and implementation responsibilities have frustrated past efforts to address rural needs both within the federal government and between the federal government and state and local governments and community-based organizations. We need clear policy direction and a framework for integrating current federal efforts and reviewing future policy initiatives in order to evaluate the impact of actions we take and resources we commit.

- Frequently, past rural programs have been developed in Washington, D.C. on the basis of inadequate and out-of-date information. We need to improve our rural data base. We also need to assure that diverse rural perspectives are available to federal policy makers and program managers. This continuous source of input is particularly important now when rural America is in transition.

Policy Goals and Principles

The Administration's Small Community and Rural Development Policy is designed to recognize the great diversity of rural needs and circumstances. Rather than attempting to impose a single grand strategy on a diverse rural America, the policy I am announcing sets forth goals and principles, organizational

and procedural arrangements to help ensure their implementation, and a set of new initiatives to fill gaps and deficiencies in existing federal programs. The basic intent is to provide a policy process within which the federal government, in cooperation with state and local governments and the private sector, can provide the greatest degree of support for local efforts to solve problems and improve the quality of rural life.

In partnership with the Congress, state and local governments, and private sector leadership, my Administration is committed to work toward:

- meeting the basic human needs of rural Americans;
- providing opportunities for rural people to be fully and productively employed and providing a favorable climate for business and economic development;
- addressing the rural problems of distance and size; and
- promoting the responsible use and stewardship of rural America's natural resources and environment while preserving the quality of rural life.

In support of these goals, I am directing my Secretaries and Heads of Departments and Agencies to adhere, to the maximum feasible extent, to the following principles, in the administration of federal programs. Specifically, federal administrators are directed to:

- manage their programs in ways that recognize local priorities and facilitate local decision-making in rural America;
- make federal investments in ways that complement state-local development plans and priorities;
- use federal assistance to help leverage private sector investments in rural community and economic development projects and programs;
- give high priority to the targeting of federal assistance to disadvantaged persons and distressed communities in rural areas;
- make federal programs more accessible to rural jurisdictions and community-based organizations, better adapted to rural circumstances and needs, better coordinated, and more streamlined in their administration; and

- o make special efforts to provide local citizens and their leaders with the assistance needed for effective community decision making and development efforts.

Implementation

A statement of policy goals and principles is not enough. These goals and principles will only begin to have impact on the needs of rural Americans as they are reflected in changes in the way government acts -- changes in programs, in delivery systems, in accessibility, and sometimes even in attitude. Thus, I am taking two important steps to help ensure that this policy is fully and effectively implemented.

First, I am proposing a rural development action agenda -- a set of specific action steps which the Administration will pursue to address priority rural needs. This action agenda -- outlined in detail in Part Two -- builds upon and expands the White House Rural Development Initiatives of the last two years and is based on advice received from extensive consultations with the Congress, the states, local officials, and rural leaders across the country. Although it is an ambitious agenda, one that is broad in scope and meticulous in detail, it is also unfinished. Many more actions and reforms are needed and will be taken in the future.

Second, I am directing a number of organizational and procedural changes as part of a strategy to develop the institutional capacity needed to solve problems on an on-going basis and assure the effective, sustained implementation of the policy principles identified here. Such an institutional structure must extend beyond the boundaries of the federal government to state and local governments, rural interest groups, local leaders, and innovators. It must provide a basis for the collaborative implementation of programs and initiatives which have been jointly developed. With these requirements in mind, I am:

- o Asking Congress to create the position of Under Secretary of Agriculture for Small Community and Rural Development. This new position will help carry out Secretarial and Administration policy and assist the Secretary to fulfill his government-wide mandate under the Rural Development Act of 1972.

- o Placing renewed emphasis on the Working Group on Small Community and Rural Development and directing this group to play an aggressive and effective role in monitoring and assisting the implementation of this policy pursuant to Section 603 of the Rural Development Act of 1972. Toward this end:

- the Working Group will be co-chaired by the Under Secretary for Small Community and Rural Development (USDA) and my Assistant for Intergovernmental Affairs and Secretary to the Cabinet;

- both the Under Secretary for Rural Development (USDA) and my Assistant for Intergovernmental Affairs will be staffed specifically for this purpose;

- the Working Group will be composed of principal federal program managers, and such others as may be named by the co-chairpersons:

Executive Associate Director (Budget), Office of Management and Budget
Associate Director (Rural and Agriculture), Domestic Policy Staff
Assistant Secretary for Budget and Programs, Department of Transportation
Assistant Secretary for Community Planning and Development, Department of Housing and Urban Development
Assistant Secretary for Housing, Department of Housing and Urban Development
Deputy Under Secretary, Department of Health and Human Services
Assistant Secretary for Employment and Training, Department of Labor
Assistant Secretary for Economic Development, Department of Commerce
Assistant Secretary for Land and Water Resources, Department of Interior
Assistant Secretary for Rural Development, Department of Agriculture
Assistant Secretary for Capital Investment and Debt Management, Department of Treasury
Deputy Under Secretary, Department of Energy
Appropriate Representative of the Department of Education
Associate Director of ACTION
Deputy Director, Community Services Administration
Deputy Administrator, Environmental Protection Agency
Executive Assistant/Director of Administration, General Services Administration
Deputy Administrator, Small Business Administration

- Directing the Secretary of Agriculture to appoint an Advisory Council to monitor implementation results and to advise him (and through him the Working Group) on needed federal actions. The Council will be composed of public officials named by major public interest groups, representatives of community-based organizations and other private interest groups, representatives of the business and financial community, and others to be selected by the Secretary.

- Inviting the nation's Governors to establish State Rural Development Councils as a mechanism for ensuring effective coordination in joint federal-state efforts to implement state and local rural development priorities. The Federal Regional Councils will be directed to establish a rural development task force to assist state implementation efforts, and the Secretaries and Heads of Agencies will direct federal field personnel to participate on the state Rural Development Councils if a governor so desires.

- Directing the Working Group, acting through the Secretary of Agriculture and based on advice of the Advisory Council, to annually review existing and proposed policies, programs, and budget levels to determine their adequacy in meeting rural needs and embodying the policy principles articulated here. A report, based on this review, should be submitted to OMB at an appropriate time in the budget cycle and to other Secretaries and Heads of Agencies as appropriate. The Secretary of Agriculture is further directed to submit a report to me each year that documents the implementation steps pursuant to this policy and that satisfies the reporting requirements of the Rural Development Act of 1972.

- Directing the Secretaries of Housing and Urban Development, Health and Human Services, Education, Commerce, Energy, Labor, Transportation, and Interior, and the Administrators of the Environmental Protection Agency, the Community Services Administration, and the Small Business Administration to review relevant departmental or agency policies and programs in terms of their adequacy in embodying the policy principles and to designate a senior official to be responsible for monitoring implementation of this policy within the agency, serving as a rural advocate within the agency, and acting as a point of contact for small community and rural leaders seeking information or assistance.

A cornerstone of my Administration's Small Community and Rural Development Policy is the coordination of federal, state, and local efforts to serve rural people and enhance their prospects for the future. To help accomplish this important aim, federal officials must be constantly exposed to a range of rural experiences and information and brought into contact with those people who represent rural viewpoints and are working to meet rural concerns. The emphasis on ongoing, institutionalized follow-up and non-federal involvement is intended to provide an environment conducive to the development and execution of policies and programs which are sensitive to rural needs and circumstances.

PART TWO

ACTION AGENDA

What follows is a description of some of the key actions already taken by this Administration to address rural problems and a summary listing of new actions announced today to further address these problems in the context of overall policy goals. The new initiatives are based, to a large extent, on recommendations made during the extensive consultations which were held with Members of Congress, state and local elected officials, and public and private interest groups to identify priority needs and what needs to be done to address them.

Many more actions and reforms are required. No rural policy pronouncement can be viewed as the last word. It must rather serve as a source of guidance, emphasis, priority, and inspiration in the context of which future work must be planned and undertaken. Those problems which could not be fully addressed in this statement will be placed on the 1980 agenda of the Working Group on Small Community and Rural Development and the Advisory Council to that group.

The new initiatives detailed below will be implemented by the Departments and the Working Group on Small Community and Rural Development. The Working Group will assist in establishing lead agency responsibilities, time frames, and where possible, quantitative targets to be reached. The designated agencies will develop work plans, including time schedules, information or other resources needed from other agencies, anticipated problems, and needed policy guidance. Review by the Working Group will provide opportunities for coordinating actions and schedules and sharing resources as needed. The Working Group will also establish monitoring guidelines to assure timely reports on progress and problems encountered in implementing the initiatives.

MEETING THE BASIC HUMAN NEEDS OF RURAL AMERICANS

HOUSING

Actions Already Taken

- A joint agreement between FmHA and HUD initiated a four-year demonstration in state delivery of federal housing and community development assistance to rural disadvantaged populations and distressed communities in four states. During the first two years of the demonstration, over 2,100 new housing units were constructed and an additional 5,484 homes were rehabilitated or weatherized. The program is currently being extended to other rural areas with similar needs in each of the four demonstration states.

- Under the White House Rural Development Initiatives, the Administration announced in January, 1979, a set-aside of funds to construct 10 demonstration elderly congregate housing projects, with social services provided on-site. Since that announcement, FmHA regulations have been changed to make the provision of social services a matter of routine consideration when elderly congregate housing projects are planned. Such housing provides a much-needed alternative to institutional care for the elderly who need social services some of the time.

- FmHA implemented a new rental assistance program providing rent subsidies to nearly 43,000 rural low-income families so they could afford to live in FmHA-financed rental and farm labor housing developments.

- FmHA increased the level of Section 504 low-income housing repair loans and grants from $24 million in 1978 to $43 million in 1979 to better meet the special needs of older Americans.

- The Federal National Mortgage Association (FNMA) has established a "satellite" lending program which permits small lenders to sell their loans to FNMA through approved FNMA seller/servicers. This new correspondent relationship is very important to the typically small and undercapitalized rural lender who could not normally take advantage of the marketing opportunities afforded by FNMA.

- To help cut fuel bills for rural families and implement national energy conservation goals, FmHA and the Rural Electrification Administration (REA) began a program to allow REA-financed cooperatives to use FmHA rehabilitation loan funds to weatherize homes for their customers.

- To increase the availability of federal assistance for homeownership to lower income households, FmHA revised the "good credit history" application procedures to ensure equal credit opportunities without discrimination for FmHA housing loan applicants. In addition, FmHA aggressively emphasized use of the provision allowing low-income borrowers to temporarily suspend housing loan payments when medical problems, loss of jobs, or other emergencies prevent payment.

- HUD has increased funding of state and local human rights commissions to improve fair housing enforcement in rural and small communities.

- The Veterans Administration loan referral system minimizes requirements for direct loans from local lending institutions in rural areas. Eligible veterans can receive VA direct loans up to 60 percent of home mortgage amounts under the program.

- HUD has begun a Rural 1000 program to facilitate construction of Section 8 assisted housing with eight units or fewer in communities of under 1000 population.

- HUD has initiated a "rural track processing strategy" to enable one developer to work with local builders to construct small housing developments, scattered in rural communities over a large geographic area.

Action Agenda

to address the following policy objectives: increasing opportunities for low and moderate income rural people to become homeowners or to live in decent rental housing; improving access to federal, state, and local housing programs and resources for lower income residents; ensuring that the housing needs of rural Americans are reflected in national housing programs and standards

- monitor and fully implement the White House Rural Elderly Housing Initiative which mandates all congregate elderly housing constructed with FmHA funds to have social services provided on site, and provides a $12.5 million 10-site demonstration highlighting this regulatory change;

- revise the HUD/FmHA Minimum Property Standards for Single Family Housing to permit its adaptation to local conditions and to reduce housing costs; hold interagency training sessions on use of the new Minimum Property Standards handbook;

- develop and make available variable housing design plans (blueprints) which meet Minimum Property Standards to assist small builders and self-help housing groups;

- o make current FmHA grant and loan assistance available to families wish to add on a room or remodel their house to provide living quarters for elderly family relatives;

- o continue demonstration project and assess the feasibility of a prototype land bank for residential sites;

- o support appropriations for FmHA's Homeownership Assistance Program (HOAP);

- o develop and implement an interagency agreement (CSA, FmHA, DOL, HUD, HEW) to provide for coordinated assistance related to FmHA Section 514 farmworker housing construction, including a set-aside of HUD Section 8 rental assistance for Section 514 very-low-income housing repair program;

- o make HUD's Certified Housing Counseling program available in rural areas;

- o develop standardized loan application and appraisal forms to the extent practical for HUD, FHA, FmHA, and VA to broaden credit opportunities for rural families;

- o monitor and fully implement the inter-agency agreement among DOL, HUD, FmHA, and CSA on farmworker housing as a starting point in developing a comprehensive housing policy for migrant and seasonal farmworkers;

- o continue the FmHA/HUD funded major national rural cooperative housing demonstration project to develop and maintain an integrated delivery system in rural areas for small rural housing cooperatives to increase homeownership opportunities for rural residents;

- o expand to 32 states the delegated mortgage processing program of HUD's Rural Assistance Initiatives, which authorizes local savings and loan associations and other mortgage lenders to process FHA-insured single family mortgage loans under Sections 235 and 203(b), thereby increasing the access to these FHA-insured loans in areas which are some distance from HUD offices.

HEALTH

Actions Already Taken

- o In October, 1978 the Administration, working through HEW and FmHA; announced the White House Rural Health Initiatives to finance the construction and rehabili-

tation of 300 primary health clinics in rural areas. Construction of the 300 new clinics and training of rural people to provide staff services will take place over the next four years. These centers will serve about 1.35 million people. In the past year 71 clinics have been authorized for funding under this program and 507 people are being trained to staff them.

- HEW and FmHA are cooperating to target loan funds for medical facilities to 125 rural communities by the end of 1980. HEW Community Health Services Program's budget has been increased to $40 million to reflect this Administration's support for the requirement that 40 percent of Community Health Center Services go to rural areas.

- HEW has begun a pilot program to use public schools as sites for primary health care service projects. Over the next year, the department expects to work with six to ten communities to place satellite health centers in schools where vacant space and available school transportation will increase the accessibility of health care for rural residents.

- To alleviate the shortage of doctors and other health care professionals in small towns and rural areas, the Administration supported passage of the Rural Health Clinics Services Act which expanded the scope of primary health care services performed by physician assistants and nurse practitioners. HEW has certified over 400 clinics for reimbursement for services performed by these health professionals in the eighteen months since the law was signed. In addition, HEW has worked to make mental health services more available by stationing mental health professionals in rural primary care centers. To augment these efforts, additional National Health Service Corps professionals have been assigned to rural areas.

- To ensure that residents of small towns and rural areas have opportunities to enter the health care professions and help deliver health care services to their communities, the Administration has taken several actions: a joint agreement between HEW and DOL will enable about 500 migrant and seasonal workers to obtain jobs and training in rural health projects; Job Corps graduates can now obtain permanent employment in the Public Health Service; and students of health-related professions will benefit from the current assessment of the accessibility of vocational training programs in rural areas.

- Significant efforts have been made during the last four years to provide alternative health and supportive

services for older and disabled Americans and to enable them to live independently or with their families. These efforts include an HEW demonstration program to link services of rural primary care centers with local agencies providing support services to the elderly, and the HEW Home Health Program which supports the development and expansion of home health agencies. Since 1977, about 150 of these home health projects have been funded in rural areas.

- Actions taken to direct federal resources to the special needs of rural Americans include: the Black Lung Program which provides health, education, outreach and clinical services to approximately 122,000 victims of black lung disease in rural areas; demonstrations in delivering burn care on a regional basis; the Center for Disease Control program to support state laboratory improvement efforts and provide direct assistance for laboratory technicians working in rural areas.

Action Agenda

to address the following policy objectives: ensuring adequate primary health care services and facilities; alleviating the shortage of doctors and other health care professionals; promoting non-institutional care and independent living for the elderly and disabled; and ensuring that the special health needs of rural Americans are reflected in national health care programs and standards

- monitor and ensure full implementation of the White House Rural Health Clinics Initiatives to support construction and/or rehabilitation of 300 rural primary care health clinics over the next four years and to train and employ rural residents as support staff;

- promote full implementation by HEW of the Rural Health Clinic Services Act including: elimination of federal barriers especially in certification processing, cost reporting and Medicare/Medicaid reimbursement procedures; clinics and personnel and provide incentives for states to expedite reimbursement; evaluation of any legislative or regulatory changes that may be needed, especially with respect to the setting of cost reimbursement schedules and the need to assure public input in the development of regulations; and designation of a focal point within HEW to implement the Act;

- increase the availability of trained medical personnel in rural areas through encouraging and providing inducements to states, private foundations, and others to persuade medical, dental, and nursing schools to admit a greater number of rural students; using regional mechanisms such as AHECs in medical personnel placement, training, and continuing education; placing a greater number of medical personnel in rural areas through the National Health Service Corps; and providing incentives for increasing the number of nurse practitioners and physicians assistants;

- promote legislation permitting "swing beds" which would simplify Medicare and Medicaid reimbursement in small rural hospitals;

- assure that the special health needs of rural areas are recognized in any legislation related to the National Health Plan;

- encourage increased uniformity in Medicaid eligibility, scope, benefits, and coverage across the country (Proposed National Health Plan standards are uniform across the states.);

- place top legislative priority on CHAP and other preventive care programming for children;

- expansion of the WIC program into more rural areas, and improved coordination between WIC and rural health service programs;

- give greater emphasis to provisions in the Health Planning law which provide for sub-regional health groups in formulating local and state plans;

- ensure that health planning agencies adapt national health standards to differing regional and state needs and priorities, and that such standards reflect the unique circumstances and needs of medically underserved populations in isolated rural communites;

- target primary care programs to meet more adequately the needs of medically underserved rural areas and population groups, including minorities, women and migrant and seasonal farmworkers;

- work for passage and full implementation of the Mental Health Systems Act which would provide services in rural areas and would put particular emphasis on rural poverty areas and areas with high concentrations of minorities;

- promote integrated systems of physical and mental primary care through linkage arrangements between agencies providing general health care and specialized mental health agencies and, where possible, seek a single grantee for both activities;

- provide incentives to states and local communities to make greater efforts to reach persons in rural areas with alcohol and drug abuse problems.

WATER AND SEWER

Actions Already Taken

- As part of the White House Rural Development Initiatives, the President announced in December, 1978, an agreement which substantially improves the way in which EPA, FmHA, EDA, and HUD relate to each other and deliver approximately $2.5 billion in water and sewer assistance annually to small towns and rural areas. Features of the agreement include the adoption of common criteria for defining "affordable systems"; single environmental assessments; single A-95 reviews; single construction inspections; and, for FmHA and EDA, a common application form and common auditing and reporting requirements. The agreement also calls for the development of one consistent set of compliance requirements with some 16 cross-cutting federal laws and executive orders, and the common use of a "community profile form" as a means of making an early determination of which agencies might participate in a joint-funded project and meet with the applicant community in a pre-application conference. Over 300 applications have been processed under these new procedures over the past nine months, with the net result that it is now much easier and faster for small rural communities to find out what kinds of assistance are available and how to get it.

- For the first time, the Clean Water Act recognizes the construction of alternative and innovative treatment technologies, including on-site systems as an eligible purpose for construction grants; moreover, municipal bodies may receive grants for these purposes to serve small non-profit or commercial institutions as well as residential users.

- EPA has proposed technical assistance training packages for elected officials and citizens involved in Step I facilities planning. These packages will provide local decisionmakers with the background necessary to assess the costs and benefits of various wastewater treatment options. They will also include information on water conservation, wastewater treatment processes, operation

and maintenance problems, cost-effectiveness analysis, and innovative and alternative wastewater treatment systems. These technical assistance training packages will be available for use in rural communities from appropriate State and EPA offices by FY 80.

- Under Section 205(g) of the Clean Water Act, up to 2 percent of the State's allotment may be set aside for management of the Construction Grants Program by the State. Part of this set-aside can be used by the States to manage grants for small communities if it so specifies in its delegation assessment. So far delegation agreements have been signed for Illinois, Texas, California, New Hampshire, and Wisconsin; New York is pending.

- For the first time, EPA grants for water and sewer funding Steps 2 and 3 can be combined into one grant for communities of 25,000 or less population if the total estimated Step 3 cost is $2 million or less ($3 million in States with unusually high construction costs).

- Rural States must set aside 4 percent of their EPA Construction Grants allotment for alternatives to conventional treatment for communities with populations of 3,500 or less, or the sparsely populated areas of larger communities. Other States have the option of setting aside up to 4 percent of their allotments for this purpose.

- The Agricultural Credit Act of 1978 increased the maximum allowable grant for FmHA water and waste disposal projects from 50 percent to 75 percent of eligible project development costs. This change will enable FmHA to provide higher levels of assistance to the most financially needy communities.

- On July 13, 1978, FmHA and EPA signed a Joint Policy Statement relative to implementation of the Safe Drinking Water Act. The Act authorized EPA to set and enforce national drinking water standards but did not provide funds to help water suppliers meet the standards. Most of the communities that will need additional water treatment to meet the standards are in rural areas. Therefore, FmHA has agreed to give priority to applications for loan and/or grant assistance from such communities as part of its financial assistance programs for promoting orderly development in rural communities.

- EDA has changed its regulations to enable communities to receive up to 80 percent total Federal funding for jointly funded projects. The previous regulations restricted the total amount of Federal involvement for

projects in which EDA participates to the percentage allowed by EDA for the redevelopment area (a percentage ranging from 50 percent to 80 percent). This change will enable communities to receive larger federal amounts for projects when EDA is involved.

- Effective October 1, 1978, EDA delegated approval authority for Title I Public Works projects under $500,000 to the Regional Office Directors. This delegation will shorten the time involved for the Federal government to make funding decisions on projects and make EDA more responsive to local government needs.

Action Agenda

to address the following policy objectives: ensuring safe drinking water supplies and adequate sewage treatment and disposal; facilitating dissemination of information about and application of appropriately scaled alternate technologies to meet rural needs and circumstances

- monitor and ensure full implementation of the White House Rural Water and Sewer Initiatives;

- amend the Rural Water and Sewer Agreement (involving EPA, FmHA, HUD, and EDA) to include the Indian Health Service;

- monitor and fully implement the agreements involving EPA and DOL to train disadvantaged rural residents to operate and maintain rural water and wastewater treatment facilities;

- encourage the use of EPA's cost-effectiveness criteria for wastewater systems funded by HUD and FmHA;

- place a priority within all relevant agencies on funding the planning and construction of alternative wastewater systems that are often more consistent than conventional systems with the needs and financial resources of rural areas (such technology is eligible for an 85 percent grant under EPA's construction grants program);

- place priority on use of regional management and administrative entities such as septic tank or water supply districts that are appropriate modes for delivery of rural water and wastewater treatment services;

- adopt as a national goal the elimination of unsafe drinking water during the decade of the Eighties, and appoint a study group with private sector and federal, state, and local government participation to recommend needed actions to achieve this goal;

EDUCATION

Actions Already Taken

- HEW is studying Federal aid programs to rural schools and examining the impact of allocation formulas on rural school districts. Exploration of measures to reduce the repetitiveness of grant application requirements has begun. Further, HEW is evaluating program regulations and administrative procedures which affect funding for rural education. The Bureau of Elementary and Secondary Education will be working with rural organizations and agencies to develop a rural agenda for future education planning, using the results of these studies.

- The Fund for the Improvement of Post-Secondary Education has encouraged proposals from a variety of sources to improve post-secondary education, including projects which address the problems endemic to rural locations. In some cases the projects are working to improve the quality and availability of educational information and programs to rural adults. Other projects are targeted to specific audiences: older adults, farmworkers, Indiana and migrant youth residing in rural areas. Grants have also been used to test the effectiveness of cable TV and video for delivering educational services to remote areas.

- The Northwest Regional Education Laboratory, sponsored by N.I.E., has developed a process for broadening citizen and practitioner participation in addressing the educational problems of rural communities. Their Rural Futures Development Strategy was field-tested at six sites in Utah and Washington in 1977 and is currently being transferred to other rural communities. Among the results of the demonstration is a new effort, in cooperation with five State school board associations, to develop a training program for school board members to strengthen local decision-making procedures on rural school boards.

Action Agenda

to address the following policy objectives: improve basic educational skills, employment skills, and opportunities for post-secondary education; and ensuring that resources for education programs are made available to small and rural communities across the country

- o form an inter-program task force at the new Department of Education to examine program policy effects on rural areas and to develop recommendations for assuring equity for rural constituents;

- o improve access to vocational and adult education in isolated rural areas by establishing this as a priority area for the Bureau of Adult and Vocational Education and supporting a provision in reauthorizing legislation for Vocational Education to include a special emphasis on program needs of rural needs.

INCOME MAINTENANCE, SOCIAL SERVICES AND LEGAL AID

Actions Already Taken

- o Administration efforts to target food stamp benefits to the poorest of the poor resulted in significantly increased participation in rural areas. The majority of the three million new food stamp recipients live in rural areas.

- o As a result of 1978 Head Start Amendments, enrollment of children from very small communities in Head Start programs is now easier as many areas are allowed to develop their own local standards of eligibility.

- o Improvements in social welfare service delivery include a demonstration of the use of satellite diagnostic service centers to make it easier for people living long distances from agency offices to find out and benefit from federal, state and local assistance programs.

Action Agenda

to address the following policy objectives: alleviating poverty; streamlining the delivery of social services in rural areas; and assuring access to legal services

- ensure that rural concerns are addressed in enactment and implementation of welfare reform, particularly: a federal minimum floor for cash assistance; mandated AFDC-UF benefits for two-parent families; requirements for state government to provide adequate access in sparsely populated areas;

- review implementation of the Food Stamp program to assure that it meets rural needs, including: support legislation removing the cap on expenditures, continuation of the non-public-assistance food stamps program; requirements for state governments to provide adequate access in sparsely populated areas;

- aggressively pursue the target of providing at least two legal service attorneys for every 10,000 poor people through the Legal Services Corporation;

- encourage each appropriate Legal Services Corporation office to include rural perspectives in its planning process;

- improve the delivery of legal services to rural areas through encouraging law schools to develop manuals dealing with common legal problems affecting the rural poor; using LEAA funds to establish rural legal education and information centers; using law students in rural legal outreach programs; and formally recognizing and facilitating networking among rural legal services personnel and enhancing peer-to-peer technical assistance.

JOB CREATION AND BUSINESS AND ECONOMIC DEVELOPMENT

JOB CREATION

Actions Already Taken

- As a result of this Administration's Economic Stimulus Programs, unemployment in non-metropolitan areas was reduced by 17 percent during the past two-and-a-half years, representing the creation of over 2.5 million new jobs.

- The Carter Administration has doubled the size of public service employment opportunities in non-metropolitan areas over the past two-and-a-half years (from 93,000 in 1977 to more than 225,000 in both 1978 and 1979) -- the largest public service buildup since the New Deal.

- The Administration has provided the largest expansion of youth employment and training opportunities in history--three times the size of rural youth programs under the War on Poverty.

- Since 1976, the Administration has doubled the number of employment and training opportunities in rural areas for senior citizens, migrant and seasonal farmworkers, and Indian and Native Americans.

- The Administration has implemented the largest and most comprehensive welfare reform demonstration for low income workers. Six of the 15 pilot programs are in rural areas. These programs will create an estimated 7,000 jobs for unemployed heads of low income families.

- As part of the President's Private Sector Initiative (Title VII of the Comprehensive Employment and Training Act of 1977), 65 Private Industry Councils have been established to provide a mechanism for transitioning rural workers from CETA training slots to unsubsidized private jobs through the use of on-the-job subsidies.

- In cooperation with the State of North Carolina, DOL has established a special demonstration project to develop a model for linking employment and training activities with other federally funded rural development programs.

- DOL is in the process of establishing 71 new field offices for the Office of Federal Contracts Compliance Programs which will greatly increase the accessbility of rural minorities and women to DOL's Equal Employment Opportunity enforcement resources.

- Employment components included in the White House Rural Development Initiatives providing for the training and placement of: 3,000 operators of rural water and wastewater treatment systems (1,500 on Indian reservations); 1,000 operators of small-scale hydroelectric and fuel alcohol plants and community-based unconventional gas facilities; 1,500 workers as drivers, mechanics, and dispatchers in rural social service and rural transportation systems; and 500 assistants in rural health care clinics.

- An expanded private sector apprenticeship program in DOL provides opportunities for up to 1,800 Appalachians with emphasis on youth, economically disadvantaged persons, and Job Corps terminations.

- The FmHA-DOL farmworker work experience program under which DOL has transferred almost $7 million to FmHA for placing up to half of all successful trainees in paraprofessional and clerical positions in FmHA offices and the rest in unsubsidized jobs.

- Under a FmHA, DOL, CSA agreement, rural youth are being given construction job training by DOL while rehabilitating homes for low income families under FmHA housing programs. The two-year project is expected to result in the rehabilitation of about 1,000 homes.

- The innovative TVA Cash Corps for Youth Program provides opportunities for rural youth to earn summer income through cash crop production. These opportunities often provide income required for further education, adjusting from rural to urban employment, or acquiring basic farm production and management skills.

Action Agenda

to address the following policy objectives: increasing job opportunities for minorities, women, and the economically disadvantaged; improving vocational guidance, training, and job opportunities for rural youth

- provide a strong rural component to the Employment Initiatives to vigorously implement a new agreement which establishes the goal of placing CETA eligibles in 20 percent of the total number of employment opportunities created from grants and loans made under FmHA's Community Facilities and Business and Industry Loan Program;

- aggressively apply Defense Procurement Order Number 4 which gives preference for government contracts to areas of high unemployment, many of which are in rural areas;

- support the 4-H economics, jobs, and careers programs to assist youth in career decisions and enhance their employment opportunities;

- improve efforts to train farmworkers for skilled agricultural jobs as well as for non-agricultural jobs and give priority consideration to farmworker youth under the interagency Agricultural Entrepreneurship Agreement (involving DOL, CSA, FmHA, and Cooperative Extension);

- provide improved employment and economic development opportunities for reservation Indians through a comprehensive program to coordinate CETA employment and training programs with the economic development programs of HUD, EDA, FmHA, SBA, and CSA (using the Employment Initiatives as a model);

- implement a cooperative effort involving TVA, a proposed Tri-Counties Utilities Districts, local elected officials, the State of Tennessee Department of Economic Development, EDD staff, various federal development agencies, private oil and gas interests, and others to develop the unconventional gas resources in the rural counties of Morgan, Fentress, and Scott (Tennessee), as part of a wider demonstration effort of an intergovernmental approach to ensure that local people and communities capture associated benefits (jobs, business development, community improvements, and related economic development); this demonstration will be undertaken as part of the White House Initiative entitled "Area Development from Large-Scale Construction";

- implement, as part of this same White House Initiative (Area Development from Large-Scale Construction), several additional demonstrations of the intergovernmental strategy for promoting local and minority jobs, small and minority business development, orderly community development, and economic development from large-scale construction; including projects being constructed by the U.S. Army Corps of Engineers, the Water and Power Resources Services and privately financed projects.

ECONOMIC DEVELOPMENT

Actions Already Taken

- The Administration has sponsored economic development legislation of tremendous potential importance to rural America. The National Public Works and Economic Development Act now being considered by the Congress can bring to bear capital and credit resources sorely needed in many rural areas for private business development.

- The Small Business Administration has been making one out of every two business loans in non-urban areas. In the past 18 months SBA has made 13,000 loans in non-urban areas.

- The Economic Development Administration (EDA) and the Farmers Home Administration (FmHA) have improved access to needed credit and capital for rural business development. Since 1977 alone, FmHA has obligated $2.5 billion in guaranteed loans to rural businesses. Since 1978, EDA has provided over $17 million in grants for local revolving loan funds serving rural businesses and has made $90 million in direct and guaranteed business loans in rural areas.

- The Department of Housing and Urban Development (HUD) has allocated $171.1 million in urban economic development grants for projects in small cities since August, 1978, under the UDAG program. This is 25 percent of total UDAG funding.

- Credit and capital access for minorities in rural areas have been improved by the new joint efforts of FmHA and the Office of Minority Business Enterprise (OMBE) to assist rural minorities in developing sound business firms funded by FmHA loans. For the first time, $100 million in loan funds have been set aside for minority and women entrepreneurs.

- The National Trust for Historic Preservation has conducted pilot projects in selected small towns to demonstrate the potential benefits of locally orchestrated downtown revitalization requiring minimal outside expertise and support.

- TVA has worked in approximately 30 small communities in the past two-and-one-half years to help them improve and modernize their central business districts and make those communities more attractive and efficient locations for future development.

- USDA, CSA and ACTION sponsored five small farm conferences in 1978 to provide small farmers with a forum for airing priority concerns and advocating actions desired of farm policymakers. The small farm conferences resulted in the initiation of 16 joint pilot projects to help small-acreage farmers increase their production and income.

- Implementation of FmHA's limited resources farmers program, authorized by the Agricultural Credit Act of 1978. Under the program, FmHA state directors earmarked at least 25 percent of their FY 1979 farmer program allocations to low income family farms.

Action Agenda

to address the following policy objectives: improving access to credit and capital; strengthening small farms; expanding markets for rural businesses, contributing to the commercial revitalization of small town "main-street"; and building on the base of federal capital expenditures for major construction projects to assure maximum local, rural economic development

- improve the retailing of federal credit resources (FmHA, CSA, HUD, SBA, EDA) through utilizing mobile offices, increased reliance on savings and loan associations and commercial banks (expansion of FmHA demonstration and implementation of relevant provisions of SBA legislation if passed), and fuller utilization of economic development districts and community-based organizations;

- promote development of community-based organizations through establishing rural Small Business Investment Corporations and implementation of the Consumer Coop Bank;

- make special efforts to ensure that rural small businesses are adequately informed about the Community Reinvestment Act and its potential benefits;

- encourage establishment of rural community development credit unions;

- increase market promotion and related technical assistance for rural businesses through small business export conferences, OPIC, Export-Import Bank, and Commerce;

- support rural downtown revitalization through development of a policy to accelerate legally mandated property disposal procedures and facilitate transfers and leases of surplus, condemned, and repossessed federal property;

- support GSA regulation amendments which call for locating federal facilities in central business locations of small as well as big cities (rather than in outlying areas); emphasize location of rural-serving offices in small towns;

- aggressively implement the new Community Conservation Policy designed to coordinate and target federal assistance to downtown revitalization projects;

- support the creation of a Downtown Revitalization Center to capitalize on the small-town commercial revitalization experience of the National Trust for Historic Preservation, various State government downtown redevelopment programs, and local groups, with a mandate to convene a national conference on redevelopment of "mainstreet"; conduct training seminars for local officials and businessmen, and provide an information and technical assistance clearinghouse.

ENERGY

Actions Already Taken

- As part of the White House Rural Development Initiatives the President announced in May, 1979, several new steps are being taken to help rural communities develop local energy resources for local utilization. One includes an agreement among nine agencies--including DOE, the U.S. Army Corps of Engineers, EDA, USDA, CSA, and HUD--to target funds and provide the construction of up to 100 small-scale hydroelectric plants by the end of 1981. A second involves commitments from several agencies (EDA, CSA, and DOE) to assist construction of up to 100 small-scale fuel alcohol plants. A third is a grant to the American Public Gas Association to demonstrate the feasibility of utilizing natural gas from coalbeds and other unconventional sources for local development.

- The Energy Security Corporation will provide funds for biomass conversion to synthetic and alcohol fuels. In addition, the targeted use of portion of a windfall profits tax revenues to provide relief from rising energy bills for low income people will have a special impact in rural areas with their high concentration of low income people.

- The Appalachian Regional Commission, which has established a policy advisory council on energy, has funded several demonstrations of the use of wood and carpet-mill waste for energy production, has promoted the use of fluidized bed combusition technology to burn high sulfur coal and mine refuse, and has sponsored seminars on coal mining productivity and feasibility of low-head hydroelectric power generation.

- In the areas of conventional energy supplies, final determinations were made under the Natrual Gas Policy Act of 1978 to guarantee sufficient quantities of natural gas to meet 100 percent of current requirements for food and fiber production.

- To conserve energy in rural home heating, the FmHA has adopted improved thermal performance standards for housing units it finances, is demonstrating a low-cost solar water and space heating system, and is allowing use of wood-burning stoves and furances in the housing it finances.

- To deal with fuel logistics, the Federal Highway Administration and the Appalachian Regional Commission are devising a detailed state-by-state assessment of road needs attributable to energy production. In addition, the FRA is working with other agencies to devise solutions to the problems associated with disruptions that often result from the movement of coal unit trains through small towns.

- White House Rural Development Initiatives to promote rural ridesharing (discussed below) contribute to energy conservation in the largest category of rural energy use--transportation.

- In the area of weatherization, the DOE weatherization program for low income households will now allow the use of non-CETA labor on installation crews where there is a significant shortage of CETA personnel, overcoming a major barrier to the full implementation of this program in many rural areas. Also, an agreement has been established between REA and FmHA to conduct rural energy audits and and make available FmHA Section 502 loans and Section 504 loans and grants for the weatherization of low income rural households.

- To integrate energy conservation into economic development planning, DOE and EDA have made available grant funds to as many as 20 rural Economic Development Districts to develop integrated economic development and energy plans giving special attention to energy conservation efforts and alternative energy resources.

- To guarantee adequate fuel supplies for agriculture and rural transportation, DOE's Economic Regulatory Administration has ruled that four percent of middle distillate fuels, including diesel, planned for delivery into a State must be set aside for redistribution by partici-

pating States to meet energy shortages and hardship cases. Also, the Economic Regulatory Administration has re-allocated gasoline supplies among major suppliers to ensure that the needs of agriculture and farm markets continue to be given the highest priority; and in the event that gasoline rationing is implemented, the Administration has established relatively larger percentages of gasoline supplies for those predominantly rural States where residents are highly dependent on automobiles and must drive longer distances.

- In DOE's Industrial Process Heat Program, 23 projects are under contract to demonstrate the feasibility of using solar energy for producing industrial process heat. Nearly two-thirds of these projects are located in rural areas and contribute to rural industrial development. These systems, in various phases of design, construction and operation, will generate thermal energy for applications such as commercial processing for good, lumber drying, heating greenhouses, and use in other industries such as concrete block manufacturing, chemicals, and oil refining.

- DOE and USDA are cooperating in a program to adapt solar energy for on-farm uses in agriculture. More than 50 experiments are being conducted in 28 states emphasizing the design of solar systems which can be constructed of materials and equipment readily available to farmers. In order to transfer solar energy technology and systems designs from the research laboratory to the farm site, a pilot program of on-farm demonstrations has been initiated. At present, 91 projects in nine states have been authorized for solar energy heating of swine and poultry houses and dairy buildings, and a similar number of projects is planned in 1980 for crop and grain drying.

- The Appalachian Regional Commission has funded several demonstrations of the use of wood as a low-cost alternative source of energy for homes, hospitals and small businesses. These demonstrations have included the pyrolysis of wood in Tennessee for use as a heating fuel and gas, a wood gasification plant in Georgia to heat a hospital, and a timber-for-fuel development organization in North Carolina.

Action Agenda

to address the following policy objectives: reducing dependence on foreign oil through conservation while ensuring that necessary energy supplies are dependably available for agricultural production and marketing; encouraging and supporting the development of innovative alternative energy resources to meet rural community needs; and protecting the quality of rural life by mitigating the negative consequences of energy development on small towns

- o monitor and ensure full implementation of the White House Rural Energy Initiatives to promote small-scale hydroelectric, community-based unconventional gas, and small-scale fuel alcohol development;

- o support passage of authority to make direct or guaranteed loans that would be financed from windfall profits tax revenues for the construction of small-scale alcohol fuel plants, and extend the 4¢ per gallon tax exemption on the sale of gasohol;

- o provide DOE grant assistance to community-owned gas utilities for unconventional gas exploration and development;

- o assist states to meet rapid increases in needs for public facilities and services resulting from new or expanded energy development through support for legislation which would provide up to $750 million through FmHA for grant assistances over five years with a limit of $1.5 billion in total loan guarantees; states would be encouraged to use federal impact assistance to establish revolving funds through which assistance would be distributed to localities, primarily in the form of loans;

- o implement in connection with several already federally-funded energy development projects an intergovernmental strategy developed under the White House Rural Development Initiatives to promote local jobs, business development, and orderly community development;

- o use DOE, EDA, NASA and USDA resources in support of the commercialization and utilization of selected energy technologies which are especially suited to rural and small town circumstances (e.g., wood, wind, solar heat for processing, and small-scale hydro);

- o make available variable housing design plans which include as options use of solar heat, solar hot water, passive heating and cooling, earth berm insulation, and adequate orientation for solar exposure;

- o increase the allocation of public service employment slots (under CETA) to weatherization projects where existive CETA resources are insufficient to match funds for materials.

ADDRESSING THE RURAL PROBLEMS OF DISTANCE AND SIZE

TRANSPORTATION AND COMMUNICATIONS

Actions Already Taken

- o As part of the White House Rural Development Initiatives, several transportation initiatives were announced in June, 1978, in the areas of social service/rural public transit, air service, rail branchline rehabilitation, and ridesharing. These include:

  - an agreementamong CAB, FAA, EDA, FmHA, and SBA to coordinate and target assistance ($200 million) to commuter airlines wanting to enter and serve rural markets, and to small community airports wanting to upgrade facilities;

  - an agreement among DOT, HEW, CSA, ACTION, FmHA, and DOL to improve the coordination and delivery of social service and public transit, including a commitment to train and place 1,500 CETA eligible persons as drivers, mechanics, and dispatchers working in Section 18 transportation systems; arrangements to provide surplus government vans to Section 18 systems; a set-aside of FmHA loan funds to help purchase special equipment; cooperative action by the insurance industry, State regulatory agencies, and the Federal government to make insurance more available, flexible and affordable for social service and public transit providers; and measures to reduce the large paperwork burden imposed on transportation providers by the billing, accounting, and reporting requirements of social service agencies;

  - an agreement among FRA, EDA, and FmHA to provide coordinated assistance for the rehabilitation of railroad branchlines which are given high priority in State rail plans; and

- a series of actions to promote rural ridesharing (carpooling, vanpooling) including commitments by CAAs, USDA's Cooperative Extension Service, and EDDs to promote and support ridesharing in rural areas, an IRS clarification that passenger pick-up, driver incentive, and maintenance mileage are eligible vanpooling uses for purposes of determining eligibility for the 10 percent investment tax credit; arrangements whereby surplus and excess vehicles will be made available to CSA, EDA, and USDA in their efforts to promote ridesharing; and issuance by DOE of a proposed rule to assure bulk users sufficient gasoline to maintain operation of vanpools during periods of shortage.

o Passage of the Nonurbanized Public Transportation Program (Section 18) as a part of the Surface Transportation Assistance Act of 1978 moves rural transit out of the research and demonstration phase--under FHWA's Rural Public Transportation Demonstration Program (Section 147), over 100 two-year demonstration projects were funded at a total cost of $25 million--with a clear legislative mandate to develop an ongoing program that provides operating as well as capital, administrative, and technical assistance.

o Administration proposals passed the Congress in 1978 strengthened the Federal Railroad Administration's Local Rail Service Assistance program by shifting its focus away from temporary continuation of service on abandoned rail lines to capital rehabilitation of potentially viable lines that have not yet been abandoned. The funds go to rehabilitate, before abandonment, the lines carrying five million gross ton miles of traffic or less per mile annually through grants or loans to railroads; provide alternate transportation facilities and services (e.g., team tracks for use by shippers); and assist in maintaining service on branchlines which have been abandoned by private rail carriers.

o An expanded program for the renovation or replacement of bridges will primarily benefit rural counties.

o The Airline Deregulation Act of 1978 contained several key provisions for rural areas. Among other things it:

  - authorizes CAB to require "essential air service" for a 10-year period and to provide subsidies to a regulated carrier or a replacement commuter airline to assure the continuation of essential service as necessary;

- requires CAB to determine within one year of enactment what constitutes "essential air service" for each location served at the time of enactment and authorizes CAB to adjust these definitions and develop definitions for other locations to accommodate future needs;

- requires commuter aircraft to the maximum extent feasible to conform to the FAA safety requirements imposed on larger passenger aircraft;

- permits commuter airlines (for craft with 30 or more seats) to enter into interline agreements with trunk and local air service carriers to provide through-ticketing services;

- exempts from CAB regulation commuter aircrafts carrying cargo weighing less than 18,000 pounds and carrying fewer than 56 passengers; and

- makes commuter airlines eligible for the first time for FAA's aircraft loan guarantee program (for the purchase of the planes and replacement parts).

o The Administration is proposing amendments to the Airport and Airway Development Act of 1970 which would provide greater opportunities for small airports to receive airport development grant assistance. More funds would be available for all eligible airport development, including aircraft parking areas, terminals, runways, taxiways, and emergency buildings and vehicles. Approximately 12 percent of the funds available for airport development will be used to foster small community air service. This would total about $.5 billion for the years 1981-85 or approximately $100 million per year.

o The Commerce Department's National Telecommunications and Information Administration (NTIA) has filed proposals with the Federal Communications Commission to drop restrictions on ownership of cable TV in some rural areas and to create a new class of low power broadcast stations.

o The Department of Agriculture has instituted a program to help rural telephone companies provide television and other services. REA will make available increasing amounts up to $40 million in 1982 for direct loans and loan guarantees to support rebuilding rural telephone lines. The portion of the telephone plant, or other broadband facilities, which will be used to carry commercial television signals will be financed through the Business and Industrial Loan Program of FmHA.

- As part of the President's civilian space policy, NTIA will assist Federal, State and local agencies in the procurement of satellite communications services for rural areas and will conduct technical and economic analyses on this use of communications satellites.

- NTIA has begun distributing grants for public communications facilities. Under legislation developed by the Administration and Congress in 1978, many of these grants will go to rural areas that have inadequate public broadcasting service.

Action Agenda

to address the following policy objectives: overcoming the problems of isolation from job sites, social services, and the government; improving accessibility to new technologies; reducing the dependence of rural residents on the private automobile, addressing the special problems which rural entrepreneuers have in gaining access to raw materials and markets because of the problems of transportation

- monitor and ensure full implementation of the White House Rural Transportation Initiatives;

- support adequate funding for Section 18 of the Surface Transportation Act of 1978;

- monitor and ensure full implementation of the White House Rural Communications Initiatives to enable rural residents to assess modern communications technology.

CAPACITY BUILDING

Actions Already Taken

- A range of agency-funded programs have been undertaken to increase the management capacity of target communities. These funding commitments are exemplified by the following: HUD has granted $3.5 million to 16 states for technical assistance projects aimed at building management capacity building program, Economic Development Districts (EDD's) have received increased assistance to carry out economic development planning. CSA funded a Virginia State University project to demonstrate how state land grant colleges and extension services can work with community action agencies to assist low income farmers. TVA has entered into an agreement with the Tennessee Valley

Center for Minority Economic Development to provide special assistance to rural areas with predominantly minority populations, helping them take the necessary steps to participate more fully in the region's economy. CSA made a grant to the Emergency Land Fund in Atlanta for the purpose of providing assistance to minority farmers and landowners. A consortium of agencies (including EDA, FMHA, EPA, and HUD) funded the National Demonstration Water Project which has created a network to assist rural communities in developing the capacity to meet their water and sewer needs.

- HUD developed a simplified Housing Assistance Plan for small cities applying for single-purpose grants.

- For FY 1980 CDBG competition, the selection criteria have been changed slightly to eliminate a perceived bias towards certain kinds of projects to allow small communities to select activities addressing critical locally-identified community development needs.

- The Bureau of the Census sponsored a new State Data Center program, which is a Federal-State-local cooperative program whose objective is to improve access to and use of statistical information by State and local government planners and decision-makers.

Action Agenda

to address the following policy objectives: improving access to federal programs; improving targeting and delivery of technical assistance; improving coordination among federal agencies, other levels of government and private organizations in rural areas; and developing and disseminating better information about rural conditions

- develop a national program to support locally selected circuit-riding managers to assist small communities and rural counties;

- promote intergovernmental assignments of federal personnel to rural jurisdictions and organizations, to increase knowledge of and sensitivity to rural problems within federal agencies as well as assist in meeting local capacity building needs;

- o encourage and support higher priority within the Cooperative Extension Service to provide outreach and technical assistance to low income and isolated rural residents;

- o convene a White House meeting to explore options and develop cooperative plans for the participation of philanthropic, educational, religious, and charitable organizations in rural capacity building and other rural development projects;

- o recruit retired executives as SCORE volunteers to provide technical and management assistance to governments and businesses in rural areas; explore other options and incentives to encourage the private sector to provide technical and management assistance for rural institutions;

- o support continued funding of the FmHA Section 111 rural planning program to provide state and local capacity building assistance;

- o encourage federal field offices (EDA, HUD, Census) and the land grant institutions, incooperation with ISETAP, to provide technical assistance to rural officials on the use of 1980 census data and improve access to detailed data at the rural community level;

- o direct the Working Group on Small Community and Rural Development, in cooperation with ISETAP, to develop a rural research agenda, including data needs, and to assist in coordinating federally-sponsored applied research and data collection;

- o negotiate a single set of application, auditing, and reporting requirements for each of several frequently combined clusters of federal aid programs to reduce red tape and paperwork burdens; simplify and standardize compliance requirements with cross-cutting federal laws and executive orders.

PROMOTING THE RESPONSIBLE USE AND STEWARDSHIP OF AMERICA'S NATURAL RESOURCES AND ENVIRONMENT

Actions Already Taken

- o In October 1978, the Secretary of Agriculture issued a USDA policy on land use which directs USDA agencies to: advocate the retention of important farmlands and forestland, prime rangeland, wetlands , and other lands

designated by State and local governments; advocate actions that reduce the risk of flood loss, minimize impacts of floods on human safety, health and welfare, and restore and preserve the natural and beneficial functions and values of floodplains; advocate and assist in the reclamation of abandoned surface-mine lands and in the planning for the extraction of coal and other nonrenewable resources in ways that will facilitate later restoration of the land to its prior productivity; advocate the protection of threatened and endangered animal and plant species and their habitats, designated archaeological, historic, and cultural sites, and designated ecosystems; advocate the conservation of natural and manmade scenic resources, and assure that these agencies protect and enhance the visual quality of the landscape. A USDA Land Use Committee has been providing leadership for implementation of the policy, and USDA agencies were given one year to bring their programs and actions into compliance.

- EPA also has promulgated an Agricultural Lands Protection Policy, which is aimed at retaining prime and unique farmland, farmland of local and statewide importance, farmlands in or contiguous to environmentally sensitive areas, and farmlands with significant capital investments in "Best Management Practices."

- In mid-1979, CEQ and USDA initiated an interagency study of the factors affecting the availability of agricultural lands and their conversion to other uses. The study will be completed and findings and recommendations submitted in late 1980.

- The Department of Interior and USDA's Soil Conservation Service are providing technical and financial assistance to landowners to protect the environment from the adverse effects of coal mining practices. Since 1978, 2,200 acres of abandoned mine land have received such treatment as stabilization, control of erosion, and sediment, enhancement of water quality, and return of the land to useful purposes. TVA has undertaken a surface mine reclamation program under which thousands of acres of mined land are being revegetated.

- The Department of Interior is preparing a National Plar of Action to combat desertification. It will identify means of reversing the decline of biological productivity of arid and semiarid areas in the rural west.

- The Heritage Conservation and Recreation Service has directed a comprehensive review of federal programs affecting barrier islands on the Atlantic and Gulf coasts to develop a plan for protecting them.

- The Department of Commerce has funded 19 state coastal zone management programs to assure that the shores of oceanic and inland water bodies are managed and used for public good.

- Land use planning for the public lands, most of which are in the rural west, is committed to being accomplished cooperatively with local communities. To the extent practical, plans are being made to be compatible with those of local governments. The resulting benefit is orderly use and conservation of land and resources.

- National Park Service improvements to sewer, water, and waste disposal systems within the parks has resulted in cleaner and safer conditions in nearby communities. Federal and State regulations have been met, which assures that effluent into streams, groundwater, and the atmosphere is safe and clean.

- National Park Service responsibility for monitoring of air and water quality within park areas results in constraints on pollution sources from outside the parks. This has a beneficial effect on surrounding communities within the entire region.

- EPA has funded water resource planning and management programs in every state.

- The Forest Service, in cooperation with the State Foresters in Mississippi, Alabama, Kentucky, Oregon, and West Virginia are working with low income and limited resource farmers to find ways to better utilize their farm woodlots as income-producing properties. This is a part of the Department's Small Farm Assistance Project.

- Under the Yazoo-Little Tallahatchie Flood Prevention projects the Forest Service has planted 840 million trees on 750,000 acres of eroding lands to protect soil and water resources and provide raw materials to local industries--creating jobs and income for area residents.

- Since 1977, 851,900 people were provided assistance by the Soil Conservation Service in planning and applying conservation measures. Application of these conservation practices has had a very positive environmental, social and economic impact on adjacent lands and communities.

- Over 27,500 units of government were provided assistance by SCS in resource management, and over 23,500 land use plans were reviewed for units of government to determine adequacy of standards.

- More than 300 measures were completed in rural areas and communities through USDA's Resource Conservation and Development Program, at a cost of about $25 million. These included measures for critical erosion control, rural recreation, and flood prevention.

- In FY 1978 and 1979, 32 flood hazard studies have been undertaken by SCS to assist rural communities in development of floodplain management programs to reduce flood losses.

- A water and related land resource study has been undertaken by SCS on the lands of the Colorado River Indian Reservation, Arizona, to assist those native Americans in the wise use of their land and water resources.

- Nearly 200 county Important Farmland Inventories were made and another 320 prepared to guide rural communities in land use decisionmaking involving retention of agricultural lands.

Action Agenda

to address the following policy objectives: preserving agricultural land and promoting pollution-free land, air, and water

- monitor and fully implement EPA's policy on agricultural land protection for all programs with particular attention to the siting and sizing of wastewater treatment facilities

- continue implementation of joint EPA-USDA programs demonstrating the application of best management practices to control non-point source pollution from agricultural runoff;

- fully implement the Rural Clean Water Program in FY 1980;

- move aggressively to complete the joint CEQ-USDA study of the effects of conversion on prime agricultural lands to other uses and of measures to control such conversion;

- promote and demonstrate means of using farm and nonfarm generated organic waste for land treatment and sources of nutrients.